GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2683
ANSWERED ON:17.03.2006
SERVICE TAX FOR GUJARAT
Barad Shri Jashubhai Dhanabhai

Will the Minister of FINANCE be pleased to state:

(a) the service tax target fixed for 2005-06 for Gujarat;

(b) the actual collections by the end of January, 2006 in Gujarat;

(c) the steps taken to ensure that all service providers are covered under the service tax net in Gujarat;

(d) whether service tax has become/will remain a major source of income for Government;

(e) if so, the details and reaction of the Government therefor;

(f) whether the Government of Gujarat has sought release of service tax collected in Gujarat; and

(g) if so, the amount of service tax proposed to be given to Gujarat during 2005-06?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) Service tax revenue target is not fixed State-wise. However, the total target for the two zones (Ahemdabad and Vadodara) located in State of Gujarat is Rs. 1296.30 crores for the year 2005-06.

(b) Actual revenue collection by the end of January, 2006 for the above two zones is Rs. 921.51 crores.

(c) The following steps have been taken to ensure that taxable service providers are covered under service tax net -
Extensive survey to trace out unregistered taxable service providers.
The registration melas to reach out the service providers
Wide publicity in print and electronic media
Rigorous anti-evasion measures.
Development of intelligence network.

(d) Yes, Sir.

(e) The revised budget estimate of collection of service tax during 2005-06 is of the order of Rs.23,000 crores, while the budget estimate of collection of service tax during 2006-07 has been estimated to be of the order of Rs.34,500 crores. It is the policy of the Government to broad base the levy of service tax so that it remains a major source of revenue for the Government.

(f) No, Sir

(g) As per Revised Estimates 2005-06, an amount of Rs.248.69 crore is proposed to be released to Government of Gujarat during 2005-06 in respect of service tax, as per the recommendation of Twelfth Finance Commission for sharing of Central Taxes with State Governments.